

Sales Tax Information Bulletin #34

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Subject: SALES TAX APPLICATION TO PHOTOGRAPHY

I. Photographers

Photographers when taking, developing and printing photographs which are ultimately sold to a customer are considered to be selling at retail with respect to the charges made for such photographs.

If the photographer makes a separate service charge for taking the photograph whether or not prints are made thereof, then such service charge is not taxable and the tax would apply to any materials and supplies used in taking such photographs at the time of purchase by the photographer.

In making additional photographic prints from an original negative or photograph, the photographer is producing and selling tangible personal property and the tax applies to the selling price of the prints and does not apply to the purchase price of the materials incorporated into the prints.

When a photographer performs tinting or coloring of photographs prior to delivery to the customer, the charge for such tinting or coloring becomes a part of the selling price of the photograph and is subject to the tax.

II. Photographic Finishers

The sales tax does not apply to charges for developing the film where the charge for developing is separately stated from the charge for prints. The sales tax does not apply to the charge for developing the film and furnishing the negatives and/or transparencies to the customer even though the negative and/or transparency is mounted in paper mounts. The sales tax applies to charges for printing photographs or making enlargements from negatives or film furnished by the customer. When a photo finisher performs tinting or coloring of prints prior to delivery to the customer, the charge for such tinting and coloring becomes a part of the selling price of the tinted print and is subject to the tax.

III. Purchases by Photographers and Photographic Finishers

Persons occupationally engaged in the business of photography or photographic finishing may be eligible for exemption from Indiana Sales Tax on purchases of equipment which is directly used in the direct processing of tangible personal property.

The following equipment may be purchased exempt from Indiana-Sales Tax provided the equipment is used exclusively for business purposes:

1. Cameras and related photographic equipment;
2. Equipment used to develop negatives and/or transparencies;
3. Camera film;
4. Chemical solutions and paper used for developing or processing.

IV. X-ray Laboratories

Laboratories, physicians, surgeons or dentists using x-ray film for the purpose of diagnosis are the consumers of materials and supplies used. Thus, the tax applies to the sale of such materials and supplies to such laboratories, physicians, surgeons or dentists. If the x-ray laboratory is being operated by a wholly-exempt organization such as a, governmentally-operated hospital, the sale thereto is not subject to the sales tax. (More information concerning sales tax application to the medical profession can be obtained by contacting the Indiana Department of Revenue, Sales Tax Division.)